REMARKS

Claims 1, 2, 5-7 and 9-11 are pending in this application.

Rejection Under 35 U.S.C. § 102(e) of Claims 1-2, 5-7, and 9-11

The Examiner rejects **claims 1-2, 5-7, and 9-11** under 35 U.S.C. § 102(e) as anticipated by Logan et al. (US 2003/0093790).

Claim 1

Claim 1 includes the limitations:

a. storing one or more TV programs containing a first class of metadata including a start location and a stop location of potentially undesired segments;

b. retrieving one of the TV programs for display;

c. defining, with a second class of metadata, unwanted segments specific to the user of said TV display,

d. matching the first class of metadata with the second class of metadata;

e. removing, responsive to matching the first class of metadata with the second class of metadata, undesired segments from the TV program; and

f. reimbursing program suppliers for a financial loss occasioned by removed material.

We focus on the limitation of *reimbursing program suppliers for a financial loss occasioned by removed material*. This limitation is not met in Logan et al. because, unlike the Applicants' disclosure, the viewers in Logan et al. can manually access metadata and thereby cheat the program supplier of reimbursement revenues.

Because this is a § 102(e) rejection, the Examiner must find all of claim elements in the cited reference, arranged as claimed. One of the elements in the Applicants' claim 1 is "reimbursing program suppliers for a financial loss occasioned by removed material." The Examiner argues in his response that the reimbursement feature is described in paragraph 0423 of Logan. (OA at 3). The Applicants respectfully disagree with the Examiner's interpretation. Paragraph 0423 of Logan et al. clearly states that the 'paid' subscriber will have access to metadata "identifying advertising and be

permitted to manually or automatically watch commercial free TV. The 'non-paid' subscriber would not have access to these marks and have no automated way to avoid commercials." (Logan et al., para. 0423; emphasis added). This statement means that a user who pays for commercial free TV will have manual or automated options to remove commercials, but the user who does not pay will not have automated options but will have manual options to watch commercial free TV. Viewers who watch a show regularly know what time the show goes to a commercial break. They can manually skip commercials without having to pay for that option. Therefore, there is an option to "cheat" under Logan's reimbursement option.

The Applicants' disclosure does not allow viewers to "cheat" because the distribution of programming streams does not necessarily require the use of metadata. Unlike the metadata in Logan et al., the metadata in the Applicants' claims can be carried separately from the program stream. This permits the use of metadata in any number of locations such as PVRs at cable headends, set top boxes, local PVRs and even in the TV set itself. (App. at 9, lines 41-43). One way to transmit this metadata is to encode it in MPEG-2 frames using a PID, which is generally used to differentiate between multiple channels carried in the same MPEG stream (App. at 9, lines 43-45). This concept has been illustrated in Fig. 9 of the application, reproduced below.

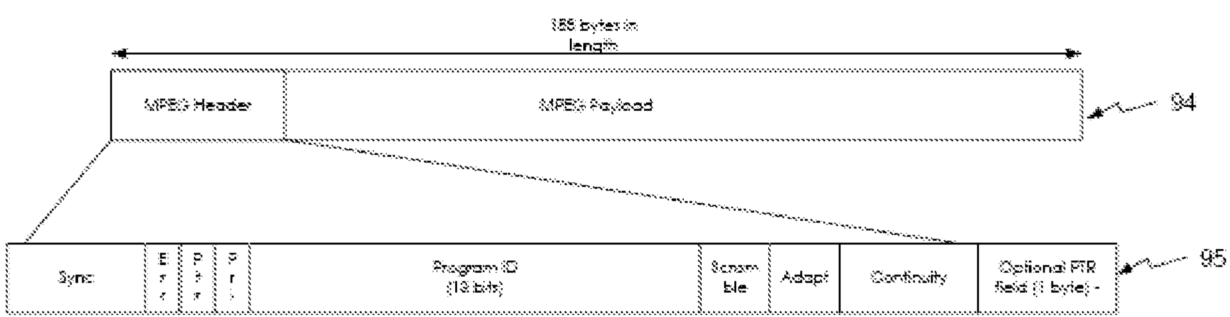

FIG 9

The encoding and transmission of metadata into PIDs, as demonstrated in Figure 9, prevents users from "cheating" and skipping commercials without compensating the content provider because users do not need to have access to metadata in order to skip commercials. Therefore, it is difficult for viewers to skip commercials when we do not provide them with the metadata to be able to guess where to skip in the program.

Therefore, claim 1 should be allowable over Logan et al.

Claim 2

Claim 2 is allowable for at least the same reasons as claim 1 from which it depends. Therefore, claim 2 should be allowable over Logan et al.

Claim 5

Claim 5 includes the limitations:

> a shared personal video recorder (PVR) network server at a distribution system head end, said PVR network server for storing multiple TV programs with one or more TV programs containing TV metadata;
>
> a specific program delivered to a specific TV display, with the specific program having stored metadata defining unwanted program segments;
>
> a processor and logic coupled to the shared personal video recorder network server adapted to compare the TV metadata with the stored metadata and to remove undesired program segments from the specific program; and
>
> further logic adapted to cause reimbursement of a program supplier for financial loss from removal of the undesired program segments from the specific program

These limitations are not found in Logan et al. The Examiner cites paragraph 0423 of Logan et al. to argue that the reimbursement feature of claim 5 is the same as paragraph 0423 of Logan. (OA at 4). For the same reasons discussed in detail in claim 1, claim 5 is allowable over Logan.

Claims 6-7

Dependent claims 6-7 are allowable for at least the same reasons as Independent claim 5 from which they depend.

Claim 9

Claim 9 includes the limitations:

> personal video recorder (PVR) server that stores multiple TV programs with one or more such programs containing TV metadata;

a specific program delivered to a specific TV display, with the specific program having stored metadata defining unwanted program segments; and

a processor and logic coupled to the shared personal video recorder network server adapted to compare the TV metadata with the stored metadata and to remove undesired program segments from the specific program; and

further logic adapted to cause reimbursement of a program supplier for financial loss from removal of the undesired program segments from the specific program

These limitations are not found in Logan et al. The Examiner cites paragraph 0423 of Logan et al. to argue that reimbursement feature of claim 9 is the same as paragraph 0423 of Logan. (OA at 5). For the same reasons, as discussed in detail in claim 1, claim 9 is allowable over Logan et al.

Therefore, claim 9 should be allowable over Logan et al.

<u>Claim 10-11</u>

Dependent claims 10-11 are allowable over Logan et al. for at least the same reasons as independent claim 9 from which they depend.

Applicants respectfully submit that claims 1-2, 5-7, and 9-11 should be allowable over Logan et al.

CONCLUSION

Applicants respectfully submit that the pending claims are now in condition for allowance and thereby solicit acceptance of the claims as now stated.

Applicants would welcome an interview, if the Examiner is so inclined. The undersigned can ordinarily be reached at his office at (650) 712-0340 from 8:30 a.m. to 5:30 p.m. PST, Monday through Friday, and can be reached at his cell phone at (415) 902-6112 most other times.

Fee Authorization. The Commissioner is hereby authorized to charge underpayment of any additional fees or credit any overpayment associated with this communication to Deposit Account No. 50-0869 (GBTV 1001-1).

Respectfully submitted,

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